Non-Implementation of 10th Finance Commission recommendations

529. SHRI GURUDAS DAS GUPTA:
SHRI J. CHITHARANJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the 10th Finance Commission's recommendations on the devolutions of States share of revenues from Central income tax and excise duties is not being implemented yet; and

(b) if so, the details in this regard and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) and (b) The Government has approved in principle the Alternative Scheme of devolution of Central Taxes recommended by the Tenth Finance Commission subject to certain modifications. Under the approved scheme, a prescribed percentage of the net proceeds of almost all Central Taxes (excluding Stamp Duty, Excise Duty on medicinal/toilet items, Central Sales Tax, Consignment tax and Surcharge) will be assigned to the States in lieu of existing share in Income tax and Basic/Special Excise Duties, Additional Excise Duties in lieu of Sales Tax on tobacco, cotton and sugar and Grants in lieu of Tax on Railway passenger fares. This will be effective from 1st April, 1996 to 31st March, 2000. The percentage share of net proceeds during 1996-97 to 1999-2000 will be such that the States' share is 29% of the gross proceeds. The percentage share of States is to be reviewed by successive Finance Commissions instead of freezing it for fifteen years as suggested by the Tenth Finance Commission.

Cut in Interest Rates on Small Savings

530. SHRI C.M. IBRAHIM: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to cut the interest on small savings, including those on post office savings, National Savings Certificates, Kisan Vikas Patra and other Government savings schemes; if so, the details in this regard;